

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 083562

60

ORIGIN NEA-12

INFO OCT-01 ISO-00 EB-11 COME-00 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 DODE-00 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 AF-10 SEC-03 /153 R

DRAFTED BY NEA/AFN:DLMACK:YSM

APPROVED BY NEA/AFN:DLMACK

COMM/BIC/OIM/AF:DCHRISTENSEN

----- 051320

P 241932Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY TUNIS PRIORITY

LIMITED OFFICIAL USE STATE 083562

E.O. 11652: N/A

TAGS: BBAK, TS

SUBJECT: REQUEST FOR CONFIDENTIAL ASSESSMENT OF REPUTATION
OF COASTAL STATES

REF: TUNIS 2203

1. PARA 2 BELOW PROVIDES SUMMARY OF A COASTAL STATES GAS
CORP. REPORT TO ITS SECURITY HOLDERS:

2. THE U.S. SECURITIES AND EXCHANGE COMMISSION (SEC)
SUSPENDED TRADING OF COASTAL STATES GAS CORPORATION
SECURITIES ON JUNE 5, 1973, BY INJUNCTIVE ACTION. THE
ISSUE WAS RESOLVED ON SEPTEMBER 11, 1973, WHEN COASTAL
STATES CONSENTED TO AN AGREED SETTLEMENT WITH THE SEC.
IN ACCEPTING THE SETTLEMENT, COASTAL STATES NOTED THAT
THE COMPANY WAS NEITHER ADMITTING NOR DENYING ANY OF THE
CHARGES. THE ISSUES AT STAKE SEEM TO HAVE CENTERED AROUND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 083562

TWO BASIC POINTS:

1) THE QUALITY AND ACCURACY OF THE INFORMATION
FURNISHED BY COASTAL STATES TO ITS STOCKHOLDERS.

2) THE INABILITY OF COASTAL STATES TO MEET ALL
OF ITS DAILY DELIVERABILITY REQUIREMENTS OF GAS TO ITS
CUSTOMERS.

3. THE FINAL JUDGMENT RENDERED BY THE COURT FORBIDS THE
COMPANY FROM MAKING ANY UNTRUE STATEMENTS OF MATERIAL
FACTS OR OMITTING TO STATE MATERIAL FACTS IN ITS REPORTS
TO ITS SECURITY HOLDERS. THE JUDGMENT REQUIRED COASTAL
STATES TO INCREASE THE NUMBER OF MEMBERS ON THE BOARD
OF DIRECTORS FROM TEN TO THIRTEEN. SIX NEW INDEPENDENT
MEMBERS, SATISFACTORY TO THE SEC, WERE TO BE DESIGNATED
BY THE COURT. OTHER CHANGES IN THE MANAGEMENT OF THE
COMPANY WERE ALSO NOTED IN THE JUDGMENT. ALL OF THESE
CHANGES WERE TO BE IN EFFECT UNTIL THE NEXT REGULAR
ANNUAL MEETING OF THE STOCKHOLDERS OF THE COMPANY. THE
JUDGMENT FURTHER ORDERED COASTAL STATES TO PROVIDE
EXPLANATIONS ON GAS RESERVES, GAS GATHERING SYSTEMS AND
OTHER FACTORS WHICH MAY HAVE EFFECTED THE COMPANY'S
INABILITY TO MEET ITS DAILY DELIVERY REQUIREMENTS.

4. EMBASSY MAY AT ITS DISCRETION ORALLY PASS SUBSTANCE
OF SUMMARY TO GOT ON CONFIDENTIAL BASIS BUT SHOULD STRESS
THAT USG HAS NO REASON TO DOUBT FINANCIAL INTEGRITY OF
COASTAL STATES. EMBASSY SHOULD ALSO POINT OUT THAT SEC
REQUIRES VERY HIGH STANDARDS OF US COMPANIES IN DEALING
WITH THEIR STOCKHOLDERS AND THIS APPEARS TO BE AN
EXAMPLE. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 24 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE083562
Document Source: CORE
Document Unique ID: 00
Drafter: DLMACK:YSM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740096-0883
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740417/aaaaaors.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: TUNIS 2203
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 26 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 AUG 2002 by boyleja>; APPROVED <11 FEB 2003 by GolinoFR>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR CONFIDENTIAL ASSESSMENT OF REPUTATION OF COASTAL STATES
TAGS: BBAK, TS
To: TUNIS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005